

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

TC Ravenswood, LLC

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Docket No. ER11-4200-000

**MOTION TO INTERVENE AND COMMENTS OF THE
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 212 and 214 of the Federal Energy Regulatory Commission's ("Commission's") Rules of Practice and Procedure,¹ the New York Independent System Operator, Inc. ("NYISO") hereby moves to intervene and submit comments in the above-captioned proceeding. This proceeding concerns TC Ravenswood, LLC's ("TC Ravenswood's") petition requesting a waiver of certain provisions in Rate Schedule 5 of the NYISO Market Administration and Control Areas Services Tariff ("Services Tariff"), specifically (i) the testing requirements under Section 15.5.3.1 of the Services Tariff and Appendix I of Rate Schedule 5 of the Services Tariff and (ii) the three-year commitment requirements of Section 15.5.3.1 of the Services Tariff.² If granted, these waivers would enable TC Ravenswood to extend the participation of its steam turbine units 10, 20, and 30 ("Ravenswood Units") in the Consolidated Edison Company of New York, Inc. ("Con Edison") portion of the statewide program administered by the NYISO for restoring electric service in New York following an unplanned outage ("New York Restoration Program")³ from September 30, 2011, until April 30, 2012.⁴ The NYISO supports TC Ravenswood's waiver requests for the reasons described below.

¹ 18 C.F.R. §§ 385.212 and 385.214.

² Terms with initial capitalization that are not otherwise defined herein shall have the meaning set forth in the Services Tariff, and if not defined therein, in the NYISO's Open Access Transmission Tariff.

³ The New York Restoration Program provides for (i) the restoration of electric service to New York by means of the 345 kV transmission backbone of New York that is energized by large hydropower units located in northern and western New York, and (ii) the restoration of electric service to the Con Edison service territory in southeastern New York by gas turbine and steam turbine units in accordance with Con Edison's local system restoration program. *See* Services Tariff, Rate Schedule 5 § Section 15.5.1; *see also* NYISO System Restoration Manual § 1.2 (July 2010).

TC Ravenswood informed the NYISO and Con Edison in September 2010 of its intent to withdraw the Ravenswood Units from participation in the New York Restoration Program at the end of its commitment period on September 30, 2011, due, in large part, to its concerns regarding the strain that the annual black start capability tests place on the aging Ravenswood Units. The NYISO and Con Edison have identified significant reliability concerns regarding the adequacy of the Con Edison portion of the New York Restoration Program if the Ravenswood Units withdraw from the program on September 30, 2011.

The NYISO has been exploring with TC Ravenswood and Con Edison potential revisions to the New York Restoration Program requirements in its tariffs that address TC Ravenswood's operational concerns, while maintaining a robust and reliable black start program, with the aim of retaining the Ravenswood Units in the program. However, the parties cannot complete their ongoing discussions and develop and implement the related tariff revisions by September 30, 2011. TC Ravenswood is therefore requesting waivers that will provide additional time for the parties to complete their discussions and develop and implement related revisions to the New York Restoration Program requirements in the NYISO tariffs. Specifically, the requested waivers will enable TC Ravenswood to extend the Ravenswood Units participation in the New York Restoration Program until April 30, 2012, without being required to perform additional black start capability tests during the extended period.

The NYISO supports the requested waivers, as they provide the parties with more time to develop and implement revisions to the New York Restoration Program requirements in the NYISO tariffs with the collective goal of retaining the Ravenswood Units in the New York Restoration Program beyond April 30, 2012. In addition, the NYISO supports TC

⁴ See *Motion of TC Ravenswood, LLC for Waiver of New York Independent System Operator, Inc.'s Tariff Provisions Regarding Black Start and System Restoration Procedures; and Request for Expedited Treatment*, TC Ravenswood, LLC, Docket No. ER11-4200-000 (August 2, 2011) ("TC Ravenswood Petition").

Ravenswood's proposal to convene a settlement conference to assist in completing the development of revisions to the New York Restoration Program requirements.

I. COPIES OF CORRESPONDENCE

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II. MOTION TO INTERVENE

The NYISO is a not-for-profit corporation responsible for providing open-access transmission service, maintaining reliability, and administering competitive wholesale electricity, ancillary services, and capacity markets in New York State. As part of its responsibility to maintain reliability, the NYISO administers the New York Restoration Program to ensure the timely restoration of electric service in New York in the event of an unplanned outage. The NYISO tariffs establish the requirements regarding a generator's participation in the New York Restoration Program. As TC Ravenswood is requesting a waiver of certain NYISO tariff requirements regarding the New York Restoration Program, the NYISO has a direct and

⁵ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2011) to permit service on counsel for the NYISO in both Washington, D.C. and Richmond, VA.

substantial interest in this proceeding. This interest cannot be adequately represented by any other party. The NYISO, therefore, should be permitted to intervene in this proceeding.

III. COMMENTS

A. NYISO Supports TC Ravenswood's Waiver Request to Extend the Participation of the Ravenswood Units in the New York Restoration Program Until April 30, 2012

i. Background

a. Service Tariff Requirements for Generators Participating in the New York Restoration Program

As part of the New York Restoration Program, Con Edison is responsible for administering a local black start and system restoration program, including procuring adequate black start and system restoration resources in its service territory to implement the program, to ensure the timely restoration of electric service to its service territory, including New York City.⁶ Rate Schedule 5 of the Services Tariff sets forth the requirements for generators participating in the Con Edison portion of the New York Restoration Program.⁷

Rate Schedule 5 establishes that a generator located in the Con Edison service territory with black start and system restoration capability can commit to participate, and be paid for participating, in the New York Restoration Program for an initial three-year commitment period. A generator that is participating in the New York Restoration Program may withdraw from participating in a future three-year commitment period by providing the NYISO with one year's advance notice at the end of the second year of its current three-year commitment period. If the generator does not provide this notice, it will be required to participate in the New York Restoration Program for a subsequent three-year commitment period.

⁶ See Services Tariff, Rate Schedule 5 § Section 15.5.1; see also NYISO System Restoration Manual §§ 1.2, 2.2, 3.1.2 (July 2010).

⁷ Services Tariff, Schedule 5 § 15.5.3.1.

Generators participating in the New York Restoration Program are responsible for conducting black start capability tests in accordance with test criteria set forth in Appendix I of Rate Schedule 5 of the Services Tariff. Generators are currently required to conduct a black start capability test of the generating facility each year. Generators are also responsible for performing annual tests and certification of certain equipment and critical components used as part of their black start and system restoration capabilities.

b. TC Ravenswood's Notice of its Intent to Withdraw the Ravenswood Units

The Ravenswood Units are large steam turbine units located at the Ravenswood Generating Station in Queens, New York that currently participate in the Con Edison portion of the New York Restoration Program. Ravenswood Units 10 and 20 each have a nameplate capacity of 400 MW, and Ravenswood Unit 30 has a nameplate capacity of 1027 MW. The three units were constructed in the 1960s.

On September 8, 2010, TC Ravenswood notified the NYISO and Con Edison pursuant to the withdrawal procedures in Section 15.5.3.1 of Rate Schedule 5 of the Services Tariff of its intent to withdraw its Ravenswood Units from their participation in the New York Restoration Program at the conclusion of the current three-year commitment period ending on September 30, 2011. TC Ravenswood provided this notice due, in large part, to its concerns regarding the strain that the annual black start capability tests place on the aging Ravenswood Units.⁸ Specifically, TC Ravenswood has indicated that it is concerned that additional cycling associated with the annual test could cause serious damage to its units.⁹

⁸ TC Ravenswood did not withdraw its participating gas turbine units at the Ravenswood Generating Station from participation in the New York Restoration Program as it did not have the same operational concerns regarding the testing regime for gas turbine units.

⁹ See TC Ravenswood Petition at p. 7.

c. Ravenswood Units' Important Role in the New York Restoration Program

The NYISO and Con Edison have significant reliability concerns regarding the adequacy of the Con Edison portion of the New York Restoration Program if the Ravenswood Units withdraw from the program on September 30, 2011. The Ravenswood Units play a very important role in the timely restoration of electric service in the New York City portion of the Con Edison service territory, in the event of an unplanned outage. The timely restoration of electric service to the New York City area is particularly important given its population density and the city's economic and political significance.

A withdrawal of the Ravenswood Units would create a gap in the black start and system restoration capability in the Con Edison service territory. The large size of the Ravenswood Units, which together are 1,827 MW, along with their strategic location, enables these units to pick up large increments of load, provide voltage support, and assist in stabilizing the local transmission system of the Con Edison service territory during a system restoration process. There are not currently any units located in the Con Edison service territory that can replace the Ravenswood Units and provide comparable black start and system restoration capability. Moreover, the NYISO anticipates that it will be at least two years before alternative black start and system restoration resources will become available.

d. Development of Improvements for the New York Restoration Program

Given TC Ravenswood's operational concerns and the NYISO and Con Edison's reliability concerns, the NYISO has initiated discussions with TC Ravenswood and Con Edison – along with other generators participating in the New York Restoration Program – to review the existing requirements for participation in the New York Restoration Program and to explore potential improvements to the program. Based on the discussions thus far, the NYISO has

identified an initial package of potential enhancements to the New York Restoration Program. These would be intended, among other things, to: (i) address certain operational issues identified by TC Ravenswood and other generators; and (ii) enhance the ability of the NYISO and Con Edison to procure and retain black start and system restoration resources.

e. TC Ravenswood's Waiver Request

Notwithstanding extensive meetings, discussions, and correspondence over the last year, the parties will not be able to complete their ongoing discussions and development of the tariff revisions by the scheduled withdrawal of the Ravenswood Units on September 30, 2011. For this reason, TC Ravenswood has requested that the Commission grant a waiver of the generator commitment period requirements in Section 15.5.3.1 of Rate Schedule 5 of the Services Tariff to allow for a limited extension of the Ravenswood Units' participation in the New York Restoration Program from September 30, 2011, until April 30, 2012. TC Ravenswood has requested this extension to provide the parties with additional time to develop revisions to the black start capability testing requirements in the NYISO tariffs that will address TC Ravenswood's operational concerns regarding the black start capability test requirements and facilitate the continued participation of the Ravenswood Units in the New York Restoration Program beyond April 30, 2012. As indicated in TC Ravenswood's submission, the parties directly impacted by the requested waivers – the NYISO, Con Edison, and TC Ravenswood – will not be harmed or suffer undesirable consequences by the Commission granting the requested waivers.¹⁰ To the contrary, the parties could suffer undesirable consequences if waivers are not granted, and the parties are unable to revise the NYISO tariff requirements in a manner that facilitates the continued participation of the Ravenswood Units in the Con Edison portion of the New York Restoration Program.

¹⁰ See TC Ravenswood Petition at p. 10.

ii. NYISO Supports TC Ravenswood's Waiver Request and Reiterates Need for Expedited Action in this Proceeding

The NYISO supports TC Ravenswood's request that the Commission grant a limited waiver of Section 15.5.3.1 of Rate Schedule 5 of the Services Tariff to allow for an extension of the Ravenswood Units' participation in the New York Restoration Program until April 30, 2012. The NYISO anticipates and expects that if the requested waivers are granted, then TC Ravenswood will remain in the New York Restoration Program during this time.

As described above, the Ravenswood Units play a very important role in the New York Restoration Program. Con Edison has indicated significant reliability concerns regarding the adequacy of the Con Edison portion of the New York Restoration Program without the Ravenswood Units. Furthermore, it is not possible to develop and implement revisions to the program requirements or bring alternate black start resources online prior to the scheduled withdrawal of the Ravenswood Units on September 30, 2011.

The waiver will provide additional time for the NYISO, TC Ravenswood, and Con Edison to complete the development of revisions to the New York Restoration Program requirements. The NYISO supports TC Ravenswood's proposal to convene a settlement conference as a mechanism for facilitating the implementation of revisions to the New York Restoration Program requirements before April 30, 2012.

The NYISO supports TC Ravenswood's request that the Commission take expedited action in this matter, and the NYISO specifically requests expedited appointment of a settlement judge. Expedited action is necessary to establish that the Ravenswood Units will remain in the New York Restoration Program beyond September 30, 2011, and to ensure that the NYISO can put into effect tariff revisions to enhance the New York Restoration Program by April 30, 2012. As indicated above, the NYISO has already begun discussions with Con Edison, TC

Ravenswood, and other generators regarding the proposed tariff revisions. Once there is an agreement between these parties, however, the proposed revisions must be adopted through the NYISO stakeholder governance process, and the NYISO must then file the proposed tariff revisions with the Commission for its review and acceptance.

B. NYISO Supports TC Ravenswood's Waiver Request to Accept the Ravenswood Unit 30 Test Results

i. Background

As described above, Generators that participate in the New York Restoration Program are required to conduct annual black start capability tests in accordance with the criteria set forth in Appendix I of Rate Schedule 5 of the Services Tariff. The test criteria for a steam turbine unit participating in the New York Restoration Program includes the following two timing requirements for completing a black start capability test:

3. A test shall be considered successful if, after isolation from the Consolidated Edison transmission system, the hot steam unit is synchronized to the transmission system in no more than 6 hours after the completion of the isolation and is firm to the system and operating at minimum load in no more than 8 hours after the completion of the isolation.¹¹

On March 11, 2011, TC Ravenswood completed its annual black start capability test for Ravenswood Unit 30. During the test, Ravenswood Unit 30 missed both the six hour and the eight hour timing requirements specified in the NYISO tariffs, completing the test in eight hours and twenty-seven minutes, which is twenty-seven minutes longer than the eight hour time limit specified in the NYISO tariffs. TC Ravenswood has indicated that the delays in meeting the timing requirements were due to field locking issues caused by a faulty relay that are unrelated to

¹¹ Services Tariff, Schedule 5, Appendix I, Steam Turbine Testing Requirements #3.

the unit's black start and system restoration capability and that TC Ravenswood has corrected.¹² Aside from the delays, the Ravenswood Unit 30 test met all other test requirements.

TC Ravenswood has requested a waiver of the testing requirements in Appendix I of Rate Schedule 5 of the Services Tariff to remain qualified as a black start service provider, despite exceeding, by a short duration, the times provided under the NYISO tariffs in conducting its most recent test of Ravenswood Unit 30 on March 11, 2011. This waiver would allow Ravenswood Unit 30 to remain qualified to participate in the New York Restoration Program through April 30, 2012 without being required to re-test its unit prior to April 30, 2012. In addition, Ravenswood Units 10 and 20 successfully completed their most recent blacks start capability test and are not required to conduct a new black start capability test prior to April 30, 2012. TC Ravenswood would still, however, be responsible for performing the annual tests and certification of equipment and critical components used as part of their black start and system restoration capabilities during the extended period.

ii. NYISO Supports TC Ravenswood's Waiver Request

The NYISO supports TC Ravenswood's waiver request. The NYISO has reviewed the Ravenswood Unit 30 test results and is satisfied that Ravenswood Unit 30 substantially met the test requirements in the NYISO tariffs and that the faulty relay that caused the delays has been identified and corrected by TC Ravenswood. The NYISO believes that requiring a re-test of the unit in this instance is unnecessary, especially in light of TC Ravenswood's concerns regarding the test requirements.

¹² For details regarding TC Ravenswood's performance of the March 11, 2011, Ravenswood Unit 30 test and its identification of and correction of the faulty relay issue that led to its delay in completing the test, see the affidavits of Erwin Schaub and Thomas Quaruccio provided with TC Ravenswood's August 2, 2011, submission.

IV. CONCLUSION

WHEREFORE, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission (i) allow the NYISO to intervene in this proceeding and (ii) accept the NYISO's comments.

Respectfully Submitted,

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Dated: August 5, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 5th day of August, 2011.

/s/ Ted J. Murphy
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